

Larry E. Craig, Chairman  
Jade West, Staff Director

# Legislative Notice

Editor, Judy Gorman Prinkey

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## **S. 1005 – The FY 1998 Department of Defense Appropriations Bill**

Calendar No. 108

Reported from the Appropriations Committee on July 10, 1997, by a unanimous vote. S. Rpt. 105-45.

### **NOTEWORTHY**

- While no U.C. existed at press time, on Friday, July 11, 1997, the Majority Leader stated his intention to turn to consideration of S. 1005, the FY 1998 Department of Defense (DoD) Appropriations Bill, at noon on Monday, July 14, 1997.
- S. 1005 provides a total of \$247.2 billion in new spending authority for pay, allowances, and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation of the Department of Defense for FY 1998. This level conforms fully to the budget authority and outlay limits established in the 602(b) allocation. The bill provides \$3.1 billion more than was appropriated for FY 1997, and is \$3.2 billion more than the President's request.
- The bill funds 1.421 million active duty military personnel, in line with the Senate-passed Defense Authorization Act, 9,878 positions below the level requested in the President's budget. It also funds 892,509 Reserve and National Guard personnel, 891 additional positions compared to the President's request.
- The overall funding levels provided in the bill include: \$69.7 billion for personnel; \$82.7 billion for operation and maintenance; \$45.4 billion for procurement; \$36.5 billion for research and development; \$1.4 billion for revolving and management funds; \$10.3 billion for the defense health program; and \$691 million for drug interdiction.
- The Committee bill recommends a 2.8 percent pay raise for military personnel, effective January 1, 1998, to help ensure that military compensation remains attractive and competitive with private sector pay and that the military services continue to attract and retain highly qualified people.

## **Title I — Military Personnel**

- The Committee recommends appropriations totaling approximately **\$69.7 billion for military personnel**, which is \$271.9 million above the budget request for the active and Guard/Reserve personnel.
- For **active duty personnel**, the Committee recommends \$60.289 billion, which is \$5.9 million below the budget estimate of \$60.295 billion. The level provided by the Committee funds an active duty military personnel level of 1,421,501 which is 9,878 positions below the requested level.
- The **National Guard and Reserves** are funded at \$9.394 billion. This funding recommendation is \$277.9 million above the President's request, and funds a personnel level of 892,509, which is 891 positions more than requested in the President's budget.
- Personnel costs for **contingency missions in Bosnia and Southwest Asia** are funded in the service personnel accounts, rather than the Overseas Contingency Operations Fund, resulting in an increase in the personnel appropriations and a corresponding reduction in the Fund. The Committee bill provides a total of \$289.7 million for contingency operations, of which \$213.6 million is for personnel costs associated with operations in Bosnia and \$76.1 million is for personnel costs associated with Southwest Asia.
- The FY 1998 DoD Authorization bill proposes termination of the **Reserve Mobilization Income Insurance Program**. The Committee bill includes a provision which provides the DoD authority to meet its financial obligations with respect to the termination of the program in the absence of a supplemental appropriation.

## **Title II — Operation and Maintenance (O&M)**

- The Committee recommends appropriations totaling **\$82.7 billion for O&M**. This is \$433.6 million above the budget estimate. The Committee also recommends that \$150 million be transferred from the national defense stockpile transaction fund.
- The Committee added \$191 million for **Army and National Guard O&M priorities**.
- The bill provides an additional \$380 million for **Real Property Maintenance** (for repair and improvement of housing, barracks, and dining facilities throughout the DoD), including \$100 million for Army barracks renovation.
- The bill provides an additional \$300 million for the Air Force and \$300 million for the Navy to address funding shortfalls in the **aircraft maintenance** and support budgets.
- Recognizing the increased demand placed on **C-130 aircraft** operations within the Air National Guard, the Committee added \$6 million to address increased operations, maintenance, and support costs.

- **Overseas contingency operations** in Bosnia and Southwest Asia are funded at \$1.9 billion. The Committee retains the Overseas Contingency Operations Transfer Fund for ongoing contingency operations in Southwest Asia and Bosnia and has shifted the amounts included in the services' FY 1998 O&M request into this fund. Military personnel funds included in the fund in the budget request have been reallocated to the individual service accounts.
- The bill also includes language requiring the Under Secretary of Defense (Comptroller) to notify the defense subcommittees 30 days in advance if the Department expects to exceed the total allotment for a given contingency and shall continue to provide quarterly reports to the defense subcommittees. These reports shall include amounts transferred and the requirements funded, as provided in supplemental and reprogramming requests.
- The Committee recommends an appropriation of approximately \$1.3 billion for **Environmental Restoration**, an increase of \$33 million over the budget request. The Committee added \$40 million specifically to address environmental issues at formerly used defense sites.
- The Former Soviet Union **Cooperative Threat Reduction (CTR)** program is appropriated at \$322.2 million. The bill includes a new provision that makes \$35 million available only for supporting dismantling and disposal of nuclear submarines and reactor components in the Russian far east.
- The Committee appropriates \$40.1 million for the **Overseas Humanitarian, Disaster, and Civic Aid Program**, \$40 million less than the budget request, and approximately \$8.9 million less than FY 1997.

### **Title III — Procurement**

- For **procurement**, the Committee provided \$45.4 billion in new budget authority, an increase of \$3.8 billion to the President's budget request. The President's FY 1998 procurement request totals \$41.6 billion, which is \$2.2 billion or 5.1 percent below the amounts Congress appropriated for procurement activities in FY 1997.
- The Committee appropriates \$335.5 million to buy an additional 18 **UH-60 Blackhawk** helicopters, an increase of \$127.3 million to the budget request.
- The Army's budget request includes \$125.6 million to sustain the **Bradley** fighting vehicle production base through the continued upgrade of older generation Bradley fighting vehicles. The Committee recommends providing \$188 million, an increase of \$62.4 million above the President's request, to ensure sufficient quantities to maintain an economic production base.
- A total of \$627 million is appropriated for the Marine Corps **V-22 aircraft**, and the Committee recommends the procurement of two additional V-22s.

- The Committee provided \$85.2 million, an increase of \$36.1 million to the budget request, for modifications of the **E-2C airborne warning aircraft**. The Committee directs that the additional funds be available only for modification of the E-2Cs currently in the Navy aircraft inventory to make them compatible with Cooperative Engagement Capability (CEC) equipment, in the understanding that these modifications will permit accelerated introduction of airborne CEC capability into the fleet.
- The Navy's budget request includes a total of \$2.8 billion for the procurement of three **DDG-51s** in FY 1998 and advance procurement of future ships. The Committee recommends providing a total of \$3.5 billion, an increase of \$720 million, for the procurement of four DDG-51s in FY 1998 and advance procurement of future DDG-51s.
- The Committee provided \$2.3 billion for procurement of **C-17 aircraft**, an increase of \$418.5 million to the budget request. The Committee recommendation includes an increase of \$440.2 million to purchase two additional C-17 aircraft, bringing the number to 11 aircraft in FY 1998. The Committee recommendation also deletes \$21.7 million based on favorable contract negotiations and delayed obligation of funds. The report cites a number of benefits for procuring additional C-17s at this time, including: a smoother ramp to the projected procurement rate of 13 in FY 1999; the program is on track and making solid strides on reducing unit cost while producing a high-quality aircraft; and the C-17 has proven an essential element in the successful conduct of the Bosnia operation.
- The budget request did not include funding for the continued procurement of the **AGM-142 Have Nap missile** in FY 1998. The Committee recommends providing \$39 million to exercise a priced option for the procurement of 50 missiles in FY 1998.
- With the possibility that all four of the proposed backfit Trident boats would be decommissioned under a START III agreement, the Committee believed it prudent to slow the production rate of the **Trident II missiles** specifically earmarked for the backfit submarines. The Committee recommends providing a total of \$274 million for the production of five Trident missiles, a reduction of \$65 million from the budget request of \$339.3 million for the production of seven Trident II missiles.
- The Committee added \$345 million for initial funding for the **CVN-77 aircraft carrier**; the President's budget contained no funds for this program.
- Advance procurement funding for initial production of the **F-22 tactical fighter** was deferred by the Committee.

#### **Title IV — Research, Development, Test, and Evaluation (RDT&E)**

- The bill provides \$36.6 billion for **Research, Development, Test, and Evaluation (RDT&E)**, an increase of \$616.6 million, or 1.7 percent, to the budget estimate. The recommended allowance is \$890 million below the FY 1997 appropriation for RDT&E.

- The Committee added \$51.5 million for the **Tactical High-Energy Laser Program**.
- The bill adds \$175 million for the Army's **Breast Cancer Research Program**.
- The Committee recommendation provides \$1.8 billion for continued development of the **F-22 advanced tactical fighter**, a reduction of \$213 million from the budget request. The Committee also recommended deleting the \$80.1 million to be used for advanced procurement, to ensure the program stays focused on completion of the engineering and manufacturing development program.
- The Committee provided \$107 million for the **Joint Air-to-Surface Standoff Missile (JASSM)**, a reduction to the budget request of \$96 million, believing that the funds provided will allow the program to continue to make measured progress on competing designs while also providing refined information for the analysis of alternatives.
- The Committee provided \$3.2 billion for RDT&E efforts on **national and theater ballistic missile defense systems** and technologies. This appropriation represents an overall increase of \$644.7 million to the Ballistic Missile Defense Organization (BMDO) RDT&E budget.
- Of the \$3.2 billion BMDO appropriation, the Committee recommended \$978.1 million for **national missile defense**, an increase of \$474 million to the budget request for this important national priority. In other action, the Committee cut \$203 million from the **Theater High Altitude Area Defense (THAAD)** Engineering and Manufacturing Development (EMD) program due to test failures and delays.
- The bill funds the authorized level of \$125 million for the **Dual-Use Technology Program**.
- The bill contains a general provision limiting funding for **Federally Funded Research and Development Centers (FFRDC)** at the 1997 level.

## **Title V — Revolving and Management Funds**

- The Committee recommends appropriations totaling **\$1.2 billion for revolving and management funds**, which is \$675 million below the budget request.
- The bill defers the acquisition of two **sealift ships**, pursuant to the reduction as proposed in the FY 1998 Defense Authorization bill.

## **Title VI — Other DoD Appropriations**

- The bill provides \$10.3 billion for **defense health program**, \$261 million more than the original budget request.

- The Committee recommends \$691 million be appropriated for **drug interdiction**, \$38.9 million more than the budget request. The bill also adds \$6.7 million for the **Gulf States counterdrug initiative**.

## Defense Appropriations, FY 1998

(In millions of dollars)

	1997 Appropriation	Budget Estimate	Committee Recommendation
TITLE I - Military Personnel	70,016,500,000	69,411,762,000	69,683,671,000
TITLE II - Operation and Maintenance	79,163,222,000	82,280,940,000	82,714,551,000
(By Transfer)	[150,000,000]	[150,000,000]	[150,000,000]
TITLE III - Procurement	43,815,484,000	41,585,178,000	45,393,284,000
(By Transfer)	.....	[400,000,000]	.....
TITLE IV - Research, Development, Test and Evaluation	37,441,121,000	35,934,491,000	36,551,058,000
TITLE V - Revolving and Management Funds	2,375,902,000	2,163,378,000	1,388,078,000
TITLE VI - Other Department of Defense Programs	11,912,712,000	11,713,312,000	11,754,237,000
TITLE VII - Related Agencies	340,664,000	331,480,000	356,480,000
TITLE VIII - General Provisions	-788,047,000	103,000,000	-663,500,000
(Additional Transfer Authority)	[2,000,000,000]	[2,500,000,000]	[2,000,000,000]
<b>Total, Department of Defense</b>	<b>244,277,558,000</b>	<b>243,523,541,000</b>	<b>247,177,859,000</b>
Scorekeeping adjustment	-230,680,000	400,000,000	.....
<b>GRAND TOTAL</b>	<b>244,046,878,000</b>	<b>243,923,541,000</b>	<b>247,177,859,000</b>

Staff Contact: Dr. Yvonne Bartoli, 224-2946